

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6027

BILL NUMBER: SB 106

NOTE PREPARED: Nov 23, 2012

BILL AMENDED:

SUBJECT: Lifetime Senior Hunting License.

FIRST AUTHOR: Sen. Nugent

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 X FEDERAL

IMPACT: State

Summary of Legislation: This bill establishes a resident senior "hunt for life" license for individuals who are at least 65 years of age.

Effective Date: July 1, 2013.

Explanation of State Expenditures: The Department of Natural Resources (DNR) will experience an increase in administrative expenses associated with re-establishing the lifetime licenses; however, the fee established for the license could be used to pay for any additional administrative expense.

Explanation of State Revenues: The bill establishes a \$17 fee for a "hunt for life" license and is estimated to result in a decrease in state license revenue of \$84,500 the second year and each year thereafter, and a decrease in federal revenue of \$28,000 in the third year and each year thereafter. Total annual revenue loss (both state and federal) is estimated at \$84,500 in the second year and \$112,500 each year thereafter, assuming a constant number of those 65 and older who apply for a license. Revenue losses could be mitigated dependent upon actions of the Natural Resources Commission, which is authorized to set license fees above the minimum fees established in the bill.

Revenue from the sale of hunting licenses goes into the dedicated Fish and Wildlife Fund that is used to pay the operating expenses of the DNR Divisions of Law Enforcement and Fish and Wildlife. Hunters over the age of 65 would still be required to purchase deer, turkey, migratory waterfowl, and game bird licenses or stamps.

Background. Currently, hunters aged 65 and over pay a \$17 fee for an annual small game license. Retailers who sell licenses retain \$0.75 per license. The DNR receives \$16.25. In 2011 the division sold 5,708 small game licenses to hunters age 65 to 96. (This was a 29.2% decrease in the number of licenses and revenue realized in 2010.) Based on 2011 license data, about 5,200 hunters aged 66 and above who currently purchase licenses would no longer be required to buy a license each year, assuming that all hunters purchase a lifetime license at the first opportunity. Loss of revenue as a result of a decrease in the annual number of hunting licenses would be about \$84,500 ($\$16.25 \times 5,200$) annually after the first year.

In order to receive federal reimbursement, the DNR must charge a fee that is commensurate with the normal cost for that privilege. Therefore, in addition to a potential loss in state license revenue, if the DNR sets the fee at the proposed minimum of \$17, the DNR would also lose federal reimbursement for each “hunt for life” license sold to individuals over the age of 74 because of the inability to certify those hunters beyond the first year the license was sold. (The apportionment formula allows lifetime licenses to be counted for multiple years based upon an actuarial table. After age 74, the lifetime license holder can no longer be counted for the purpose of the apportionment distribution formula.)

DNR received about \$23.61 for each certified hunter in FFY 2012 in sport wildlife restoration monies. Based on 2011 license data, about 1,200 hunters aged 75 and above who currently purchase licenses, assuming that all hunters purchase a lifetime license at the first opportunity, would result in a loss of federal revenue of approximately \$28,000 ($\$23.61 \times 1,200$ certified hunters) in federal dollars in 2016 and each year thereafter.

Total state and federal revenue loss would equal an estimated \$112,500 annually.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: DNR.

Local Agencies Affected:

Information Sources: DNR.

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